

# **EXHIBIT GG**

Box 65712

File  
Lawry's Litigation  
Mathews

LAW OFFICES

FREEMAN, FREEMAN & SMILEY

A PARTNERSHIP OF LAW CORPORATIONS

LOS ANGELES OFFICE  
PENTHOUSE, SUITE 1200  
3415 SEPULVEDA BOULEVARD  
LOS ANGELES, CALIFORNIA 90034-6072  
TELEPHONE (310) 398-6227  
FACSIMILE (310) 391-4042

ORANGE COUNTY OFFICE  
20 CORPORATE PARK, SUITE 225  
IRVINE, CALIFORNIA 92714  
(714) 251-0262

January 22, 1996

PLEASE ADDRESS REPLY TO:  
LOS ANGELES

REFER TO FILE NO.

9334-802

Yvette Brooks  
Senior Litigation Analyst  
Fireman's Fund Insurance Company  
Environmental Claims Facility  
777 San Marin Drive  
Novato, CA 94998-3400

FFIC Claim No.: H 106 P 95 000327 (First Party Property)  
Insured: Unilever United States, Inc.  
Our Clients: Lawry's Foods, Inc.; Thomas J. Lipton,  
Inc.; Conopco, Inc.; and Unilever United  
States, Inc.  
Site: Lot 18 of Specht Tract  
Location: County of Los Angeles, CA

Dear Ms. Brooks:

We provide the following information, pursuant to your request.

Unilever's relationship to Lawry's, Lipton, and Conopco

On January 2, 1981, title to the portion of the subject piece of real property (Property)<sup>1</sup> that currently is owned by Conopco, Inc. (Conopco) was transferred to Conopco's predecessor, Lawry's Foods, Inc. (Lawry's) by Salvador and Consuelo Gonzalez. (A copy of the Deed transferring the Property from the Gonzalezes to Lawry's is Exhibit A.) At the time, Lawry's was a wholly-owned subsidiary of Thomas J. Lipton, Inc. (Lipton), which in turn had been owned by Unilever or its predecessor or affiliates since 1936.

On December 29, 1988, Lawry's signed a Quitclaim Deed, transferring ownership of the Property to Thomas J. Lipton, Inc. (Lipton), which owned 100% of Lawry's. (A copy of this Quitclaim Deed is Exhibit B.)

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<sup>1</sup> The Property is located at 570 W. Avenue 26, Los Angeles, California 90065, formerly 2000-2006 Huron Street.

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On September 1, 1989, Lipton and Lever Brothers Company (Lever) merged. Lever was the surviving entity in the merger. (A copy of the Articles of Merger that were filed with the Secretary of State is Exhibit C.) Unilever owned 100% of Lipton and Lever.

On September 6, 1989, Lever changed its name to Conopco, Inc. (Conopco) (A copy of the Name Change that was filed with the Secretary of State is Exhibit D.) Unilever owned 100% of Conopco and Chesebrough Ponds, Inc. (Chesebrough)

On December 31, 1989, Conopco and Chesebrough merged. Chesebrough was the surviving entity in the merger. Chesebrough then changed its name to Conopco, the current owner of the Property. (A copy of the Certificate of Merger is Exhibit E; a copy of the Certificate of Correction of Certificate of Merger is Exhibit F.) Unilever still owns Conopco.

#### Correspondence with Government

Copies of correspondence between our clients and the Regional Water Quality Control Board is Exhibit G.

#### Our Clients' Business/Use at and Ownership of the Property and Allegations in this Lawsuit

The Property is currently divided into two parts. A portion has belonged to the State of California's Department of Transportation (Caltrans) since January 19, 1959, and is part of a right of way for the Golden State Freeway (Freeway), which is elevated on pylons above the surface on the Property. That portion of the Property has been leased by Caltrans to Lawry's since December 1, 1976.

The other portion is owned by Conopco, which is owned by your insured Unilever. Both portions of the Property have been used as part of Lawry's approximately 17-acre California Center. As shown on Exhibit H, the California Center has multiple buildings. There were and are landscaped courtyards and appurtenant parking areas. The California Center is no longer used and is on the market to be sold.

Exhibit I is a site plan that shows the historical industrial uses of all the areas of the California Center.

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A timeline of the Property's uses and ownership is as follows:

On March 13, 1931, the Property was transferred from the Christian Specht Estate to the Specht Trust.

On December 5, 1936, the Specht Trust transferred ownership of the Property to Laurens B. and Judith Vroom.

On January 28, 1944, the Vrooms transferred ownership of the Property to Donald Walker Spriggs and Mildred Elaine Spriggs.

On August 12, 1946, C. Henry Klar, Jr. (Mr. Klar), Russell Marion Cavin (Cavin), and Frank B. Crabbs (Crabbs) leased the Property from the Spriggs and operated a chrome plating facility on the Property as a partnership named Chromal Plating Company (Chromal). They continued to operate a chrome plating facility at all times until 1959.

On September 4, 1947, Mr. Klar, Cavin, and Crabbs quit-claimed their lease interests to the Spriggs, who then transferred part of the Property to Mr. Klar and Nesta M. Klar (Nesta Klar). Mr. Klar, Cavin, and Crabbs continued to operate their chrome plating facility on the Property.

In 1949, Mr. Klar, Cavin, and Crabbs incorporated Chromal and were Chromal's directors and managing agents. Chromal continued to operate a chrome-plating facility on the Property.

On May 19, 1952, the Spriggs transferred the part of the Property that they still owned to Chromal.

On June 30, 1953, Mr. and Nesta Klar transferred the other part of the Property to Chromal. Chromal continued to operate the chrome plating facility on the Property.

On January 19, 1959, Caltrans acquired the portion of the Property that it now owns for use as part of the right-of-way for the Freeway. Chromal moved to a new location. Caltrans then demolished the existing buildings on the Property and allegedly took possession of 2,500 gallons of chromic acid.

Since December 1, 1976, Caltrans' portion of the Property, i.e., under the Freeway, has been leased by Lawry's from

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Caltrans. The lease was for the use of that portion of the Property as a parking lot as part of Lawry's California Center, which had food processing and restaurant operations on adjoining property.

The remaining part of the Property (the portion not acquired by Caltrans) was used for parking by various persons who conducted restaurants on adjacent parcels: on July 27, 1959, six months after Chromal transferred the northerly portion of the Property to Caltrans, Chromal transferred the southerly portion of the Property to L & S Restaurant. On June 22, 1962, L & S Restaurant transferred this part of the Property to Albert Langer, who with his wife owned this part until April 10, 1978. The Langer sold this part of the Property to Salvador and Consuelo Gonzalez on April 10, 1978. The Gonzalezes leased this part to other restaurateurs in 1980.

On January 2, 1981, Lawry's purchased its portion of the Property from the Gonzalezes.

In 1984, Lawry's hired Griffith Construction (Griffith) to pave a parking lot on the part of the Property owned by Caltrans. The parking lot was used for parking for the California Center. In this litigation, Chromal and Nesta Klar allege that Lawry's moved contaminated dirt during construction of the parking lot and is liable as a CERCLA transporter of hazardous substances.

In 1986, Lawry's hired Forestwood Construction (Forestwood) to pave a parking lot on the part of the Property owned by Lawry's. The parking lot was used for parking for the California Center. In this litigation, Chromal and Nesta Klar allege that Lawry's moved contaminated dirt during construction of the parking lot and is liable as a CERCLA transporter of hazardous substances.

As stated above, the Property was transferred from Lawry's to Lipton (which owned 100% of Lawry's) on December 29, 1988. Following corporate mergers and name changes as stated above, this portion of the Property was transferred to Conopco in 1989. Conopco was and is owned by Unilever.

In or about 1990, Conopco decided to close the California Center completely, shutting down the public restaurants and moving the executive offices to other locations. Conopco then

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Senior Litigation Analyst  
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sought to sell the entire California Center. Thereafter, while conducting an environmental assessment of the Center in preparation for its sale, Conopco learned that the soil and groundwater at the Property were contaminated with chromium.

Conopco has been unable to sell the California Center thus far.

Contamination

Your questions about the contamination and damage to the Property are answered in the enclosed copies of the following reports from environmental consultant Levine-Fricke that describe the contamination at the Property, referred to in the reports as the former Chromal Plating Company property, and the investigation thereof<sup>2</sup>:

-- November 13, 1995 Third Quarter Status Report (Exhibit J);

-- September 28, 1995 Overview of Site Investigation and Remediation (Exhibit K);

-- July 25, 1995 Second Quarter Status Report (Exhibit L);

-- April 4, 1995 Quarter Status Report (Exhibit M);

-- November 22, 1994 Ground-Water Data Report (Exhibit N);

-- July 8, 1994 Results of Investigation of Source Areas for Volatile Organic Compounds in Ground Water (Exhibit O);

-- May 11, 1994 Results of Phase V Assessment (Exhibit P);  
and

-- August 26, 1993 Soil and Ground-Water Assessment Summary Report (Exhibit Q).

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<sup>2</sup> Some of the reports also discuss contamination found elsewhere at Lawry's California Center, i.e., not on the Property (the former Chromal Plating Company property).

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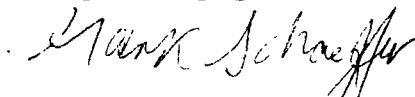
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Senior Litigation Analyst  
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Other Insurance

A schedule identifying other insurance carriers is enclosed. (Exhibit R)<sup>3</sup> Recently, Travelers Insurance has agreed to pay our cost of defending our clients.

As the parties are conducting a mediation with Timothy V.P. Gallagher, Esq., please notify us if Fireman's Fund Insurance Company will pay for our clients' defense of Chromal and Nesta Klar's Counter and Cross Claims and will indemnify our clients for any liability therefrom.

Very truly yours,



Mark Schaeffer, for  
FREEMAN, FREEMAN & SMILEY, LLP  
A Limited Liability Partnership  
Including Law Corporations

MS:sa  
Enclosures  
73794.1

cc: Timothy V.P. Gallagher, Esq. (w/o enclosures)

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<sup>3</sup>/Thus far, we have been unable to locate our client's insurance policy with Fireman's Fund. Please locate a copy and send it to us.

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Senior Litigation Analyst  
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bcc: Donald A. Smith, Esq. (w/o enclosures)